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M I N U T E S
OF THE
MEETING OF THE EXECUTIVE COMMITTEE
OF THE
WORLD COUNCIL OF CHURCHES

19 - 24 March 1992

Meeting held in
Santiago de Chile

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FOREWORD

The meeting of the Executive Committee took place at the Casa San Francisco de Sales, Santiago de Chile, on the invitation of the Council's member churches in Chile. A number of special events were planned around the meeting, and several members of the Committee and staff took part in team visits either prior to or after the Executive.

Worship during the meeting was planned by a team under the leadership of Rev. Pablo Sosa: Ms Sonia Bruzzese-Stevens, Ms Cristhian Dantagnan, Ms Leticia Osorio and Mr Claudio Sepúlveda. The overall theme was the 500 years of suffering and uprootedness experienced by the Latin American peoples.

On Saturday evening, 21 March, an ecumenical service took place at the First Methodist Church of Santiago when the preacher was the General Secretary, Rev. Dr Emilio Castro. On Sunday 22 March, members of the Executive and staff were invited to attend various local churches and to take part in their worship.

On Wednesday evening 18 March, a reception was held at the Casa Salesiana when representatives of local churches welcomed members of the Executive Committee and staff.

On Thursday 19 March, members of the Executive Committee were invited to a reception given by the President of Chile, His Excellency Patricio Alwyn. This was followed by a meeting with Cabinet Secretary Enrique Correa who explained the government's stance on human rights issues and talked about its historical obligation to repair relations with the country's indigenous people.

A special theatre performance was organised by the local churches with the theme "Voices of Pain and Hope", commemorating the 500th anniversary of the conquest of the Americas. Besides testimonies by representatives of Latin American indigenous and black peoples - from Guatemala, Brazil, and Chile - there was a performance by the Chilean Folk Ballet accompanied by Latin American folk music.

On Saturday 21 March, members of the Committee and staff had the opportunity to visit local projects run by women's organisations, neighbourhood groups, indigenous people, local authorities in poor areas, as well as some local church projects.

Two evening presentations took place at the Casa Salesiana - on Friday 20 March on the theme "Evangelisation after 500 years" with panel members Rev. Felipe Adolf, General Secretary of CLAI, Padre Francisco Sampedro Nieto of CELAM (Consejo Episcopal Latino-Americano), and Rev. Oscar Aguayo, a Pentecostalist pastor from Concepción, Chile.

On Monday 23 March there was a presentation on Human Rights issues in Chile, when speakers included Rev. Juan Sepúlveda, Mrs Berta Ugarte, Mr Claudio Gonzalez, and Bishop Isaías Gutiérrez.

The local organising Committee worked under the leadership of WCC Central Committee member, Pastor Erasmo Farfán Figueroa.



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WORLD COUNCIL OF CHURCHES
EXECUTIVE COMMITTEE MEETING

Santiago, Chile
19 - 24 March 1992

1. OPENING ACTIONS

A. Worship

Rev. Pablo Sosa led worship each morning, together with members of the worship team, in the chapel of the Casa San Francisco de Sales.

B. Call to Order and Welcome

The Moderator called the meeting to order at 9.10 hrs on Thursday 20 March. He welcomed members of the Committee and expressed thanks to the churches of Chile for their warm hospitality.

He reminded members that this would be the first opportunity to hear reports from staff since the implementation of the new structure.

C. Seating of Substitute

The Moderator reported that, following the death of the Ecumenical Patriarch, His All Holiness Dimitrios I, a member of the Executive Committee, Metropolitan Bartholomeos, had been elected as his successor. The new Patriarch did not feel able to continue as a member of the Executive, and was proposing that Dr Georges Tsetsis replace him. This nomination would be brought to Central Committee in August for ratification; meanwhile it was **agreed** that Dr Tsetsis be appointed as substitute for this meeting.

D. Roll Call

The General Secretary called the roll of those present, noting a number of apologies for absence (Appendix I).

E. Adoption of Agenda

The agenda and timetable were adopted as presented. It was requested that a brief news report be given each morning to help members keep abreast of world events.

F. Minutes of previous Meeting

The minutes of the meeting held in Geneva in September 1991 were **approved** as circulated.

2. REPORT OF THE GENERAL SECRETARY

Dr Castro began by reporting in some detail about four major trips he had made during recent months. A summary is given here:

1. South Africa

This first official visit to South Africa by WCC staff for more than 20 years was a time of intensive engagement. Accompanied by a number of staff members, Dr Castro had carried out an extremely full programme of visits to churches, theological seminaries, and numerous other groups. The visit culminated in a consultation with church leaders in Cape Town. (see also report on page 14).

2. Ethiopia

During his previous visit two years ago, Dr Castro had agreed to return when peace came to the country; thus he had gone to celebrate peace with the people in the new situation that was full of promise but also beset with problems. A central place is being given by the new government to re-developing regional identity in such a way that each ethnic group is free to express its own culture while being part of one Ethiopia.

3. Pacific

The sense of participation in the life of the church in many islands of the Pacific is perhaps unique in the world. Dr Castro had visited Fiji where there is continuing tension between ethnic groups as the constitution is based on racial lines. He had challenged that perspective, trying to help them see that preservation of cultural values does not need the power of the state.

In Tonga there are good ecumenical relations among the churches - the whole population belongs to a church - but many of the young people are leaving to find jobs elsewhere. In Tahiti the church is totally immersed in the cultural expressions of the people and it plays an important role in their life.

4. Central America

Dr Castro was impressed by the quality of Christian leadership in El Salvador, especially among the women involved in working for reconciliation. The task of land reform is in process of negotiation.

Guatemala's population is mainly Indian, with economic and military power in the hands of oligarchic groups. Little progress is being made towards peace. But a small group of evangelical churches is carrying out ecumenical work and there is a great capacity for survival among the people.

In Nicaragua it is encouraging that the democratic process has been able to survive the passing of power to the elected government, and there is willingness to preserve institutional life. The churches are playing an interesting role in the dynamics of the country. The participation of women is particularly visible in the three countries visited.

The Moderator reported on his visit to the **Church of Greece** on the invitation of the Archbishop of Athens and All Greece. He had met with the Synod and a number of synodical committees, as well as with government authorities. There had been full discussion of the problems being experienced by the Church of Greece in a number of situations. The Moderator was able to clarify some of the difficulties existing between the Church and the WCC, as one of the main problems seemed to be a lack of communication.

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The General Secretary continued his report by referring to the current concern, particularly in the former Soviet Union and in Germany, about the implications resulting from the opening of the archives of the political police. He asked advice from Committee members as to whether they felt it was appropriate for the WCC to take action by making some kind of response, as this was being asked for in several instances (see also under Public Issues).

Dr Castro went on to speak of the recent **meeting of Orthodox leaders** in Istanbul, a remarkable occasion bringing together the heads of all Orthodox Churches for the first time in history. He invited Archbishop Kirill to give a report.

Archbishop Kirill said that the aim was to search together for an Orthodox contribution for the people of today's world in light of the experiences the Orthodox Churches have gone through in recent years, especially in the former Soviet Union, Eastern and Central Europe and the Middle East. One thing is clear: there cannot be fullness of life without faith in God, with a strong vertical dimension in our human life. Attempts to build a civilisation without this vertical dimension had ended in the collapse of the system, including communism and other humanist systems.

The Orthodox remain committed to the main goal of ecumenism - the unity of all Christians. Although there is appreciation for the support received from the ecumenical movement on the part of those churches which have suffered oppression in recent times, there is disappointment that, following the collapse of the communist system, instead of ecumenical solidarity the churches are today facing a situation of competition, with proselytism rife and increasing activity by protestant fundamentalist groups, sects and new religious movements.

The heads of the Churches do not question the necessity for further cooperation with the WCC or their participation in bilateral dialogues, but they do have problems with some of the developments going on within the ecumenical movement such as the question of the ordination of women and the issue of inclusive language. There is a sincere desire on the part of the Orthodox to see the ecumenical movement strengthened and for it to play again an important role in the life of the churches. There is a wish to help bring back the Roman Catholic partners to their own ecclesiology of Vatican II; and to influence the WCC and the ecumenical movement so that, through self-analysis and self-

criticism the Council can once again occupy the important place in the life of the Orthodox Churches which it held in the past.

Archbishop Kirill went on to refer to the new situation being faced in his country following the disappearance of the Soviet Union. The fear that civil war might break out over the issue of unprotected nuclear power plants was very great, yet no mention had been made of this by the Council so far. He pointed to other situations where the WCC had intervened or reacted in the past, and although he understood why care had always been taken about actions regarding the Soviet Union in the past so as not to cause difficulties for those under oppression, he felt that now the situation could not be ignored.

Finally, the Archbishop spoke of the publicity around the opening of KGB files. The people of the new Commonwealth of Independent States (CIS) are passing through the most critical point in their history, and he asked for continuing support from the World Council in prayer and in appropriate action.

Dr Tsetsis noted that the main purpose of the Orthodox meeting in Istanbul had been to manifest Orthodox unity and to speak out on issues of society today on the eve of the third millennium.

Discussion

Dr Tolen thanked Archbishop Kirill for helping the Executive to face the major issues of where we are in the world today and where we are going. Leading on from this, he posed a number of questions: What is a nation, and how can a nation be built up out of tribes and ethnic groups? What is the role of religion in organising society? He saw the WCC as providing a place for discussing such issues and helping one another to discern the direction to be taken. Secondly, in the search for peace, it is essential to have good communication both among the member churches and between the churches and the World Council if we are to say something meaningful to the world.

Several members supported Archbishop Kirill's proposal that the Public Issues Committee consider how best to take action on the situation in the former Soviet Union.

Dr Nababan asked whether we should not find some means to help members better understand the reason for the ethnic clashes going on in Yugoslavia and in parts of the former Soviet Union, as well as the position of the churches on these issues.

Bishop Zacharias said that India is closely related to the former Soviet Union and he had a personal concern about what is happening in Soviet Asia. It was indeed important to speak out about the danger of nuclear power at a time when so many smaller countries are also developing nuclear potential. Secondly, he referred to the situation especially in Germany where the opening of political police files has caused disillusion and many people have a deep sense of guilt. The great need now is for reconciliation and forgiveness. How can we help in this process?

Mrs Gcabashe referred to the General Secretary's visit to South Africa, noting that the churches there are hoping to play a fuller role in the life of the World Council now that they are emerging from the long period of isolation. Efforts are being made to develop programmes for the churches' future work, though there is still concern about the position of women in some of the areas visited by Dr Castro. She asked the Council to continue challenging the churches to say what they are doing in relation to solidarity with women.

Prof. Aagaard reminded members that 1992 is not only the 500th anniversary of the arrival of Europeans in the Americas, but it is also a special year for Europe. Secondly, the discussion on the vision and self-understanding of the WCC had so far focused on internal matters; she hoped that the wider issue of 'what is going on in the world' would come into the process towards a statement of our vision and goal.

Fr Kishkovsky expressed thanks to the General Secretary for the helpful letter he had written to heads of the four Orthodox Churches in the United States of America which had suspended their participation in the NCCCUSA. Dr Castro had used some of the principles laid down in the Toronto Statement (CC 1950) to help those involved to seek a way forward which avoided rupturing ecumenical fellowship but assisted them in facing divisive issues. (During the course of the Executive meeting, word was received from New York that these Orthodox Churches had voted to end the suspension of their membership in the NCCC, the situation to be reviewed in 1994.)

Dr Castro responded to a number of questions requesting information, noting the points that required follow-up either in the Programme Sub-committee or in the normal life of the Council.

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Rev. Felipe Adolf, General Secretary of the Consejo Latino Americano de Iglesias (CLAI), who was present for some sessions, took an early opportunity to greet members of the Executive and staff and welcomed them to Latin America.

3. REPORTS ON UNIT AND OFFICE ACTIVITIES AFTER RESTRUCTURING

The General Secretary reported that he had appointed interim conveners and co-conveners for each Unit; the title for the permanent positions would need some reconsideration. The two Deputy General Secretaries had taken on their new tasks, Ms Oduyoye being responsible for the coordination of programmes, and Prof. Sabev for the Office of Church and Ecumenical Relations. The first meeting of the Unit Commissions would take place in May when it was hoped that a clear list of priorities would be drawn up for approval by Central Committee.

Full reports on the work of the four Units and the Offices of the General Secretariat would be shared with Central Committee in August.

Unity and Renewal

Prof. Ion Bria spoke about the efforts being made by Unit staff to find new ways of working together while maintaining a certain continuity with the work of the three former sub-units. A working model had emerged, based on the recommendations by Central Committee, with four main streams: ecclesial unity/Faith and Order; inclusive community; ecumenical formation; worship and spirituality. Some activities would probably have to be modified depending on the results of discussions in the Executive Committee and in the Commission meetings.

Mission, Education and Witness

Rev. Christopher Duraisingh described the past few months in terms of a 'wilderness experience' but said there was hope of a new beginning even though the identity of the Unit had not yet fully emerged. Efforts were being made at staff level to achieve integration, and each team includes members of each of the former sub-units. Due to a certain proportion of inherited projects with their designated funds, it may not be possible to reflect as much change in 1992 as is hoped for in 1993. The five main foci for activities are: health and healing; unity in mission and evangelism; education of the whole people of God; community and justice; Gospel and culture, and the theological significance of other faiths.

Justice, Peace and Creation

Ms Aruna Gnanadason, reporting on behalf of the convener Mr Oh Jae Shik, pointed to the major issues being dealt with by the Unit. Unit staff were working hard to build a creative team and community. A core group has been formed to coordinate day-to-day operations, and all staff have been assigned to one of seven teams: JPIC as a conciliar process; Ecumenical Action on Racism; Eco-justice; Socio-economic justice; Decade of the Churches in solidarity with Women; Youth; International Affairs. Each of the former sub-units had strong networks which must now be brought in to form one pattern weaving all the strands together.

Sharing and Service

Dr Klaus Poser reported that, after full discussion with Unit II, the Scholarships programme had been integrated into Unit IV. A new internal structure had been put in place with four issue groups to review, renew and develop Unit programmes based on the six mandates received from the Central Committee, and to act as a forum for reflection. Although the Unit is involved in a certain amount of work continuing from before, there is awareness of the need to be innovative. Thus the tension between necessary continuity and the need to be flexible keeps staff ready at any time to be of service to the member churches.

Office of Programme Planning and Coordination

Ms Mercy Amba Oduyoye began by referring to the different means available for coordinating programmes - through cross-unit teams, ad hoc working groups and task forces, as well as the three mandatory working groups on Women, Youth, and Education. The Staff Executive Group (SEG) provides a decision-making forum, while the Staff Consultative Group (SCG) has a wider membership and is the place where sharing of programme plans can take place. In addition, a number of 'round tables' are being formed specifically to coordinate work on a particular issue.

The planning and coordination aspect of the implementation of the new structure will take more shape after the Commission meetings in May. Choosing effective strategies calls for a study of the factors that led to the new structure and the implications of calling colleagues to work in larger 'coalitions', to lose autonomy, to modify styles of leadership and to transform modes of decision-making. This takes time, and programmes which necessarily involve persons outside the staff, work that cannot wait, and events over which we have no control have had to go ahead under the pre-assembly mandates.

The Units have from the beginning been aware of the need for inter-unit and council-wide cooperation. It has been difficult to arrive at the chronological prioritising that has been requested, but the Units are struggling with this and with ways to match staff expertise to these programme priorities. The Units are also preparing documents to enable the Commissions to give advice and guidance.

Offices on Relationships and Communication

Prof. Todor Sabev reported on recent activities and plans for future work. The Office of Church and Ecumenical Relations has begun to develop and coordinate relationships with member churches, national and regional ecumenical bodies, Christian World Communions and various ecumenical organisations. Some meetings have been held and others are being planned together with ecumenical partners. The third World Consultation of NCCs will take place in February 1993. A document on patterns of cooperation with REOs is in process of preparation. The first meeting of the Joint Working Group was held in March 1992 (see report on page 19ff). Ecumenical team visits have been arranged to member churches in the Baltic Republics, as well as to churches concerned with the issue of uniaticism.

This Office will be able to fulfil its mandate more effectively when it is fully staffed.

The Office on Inter-Religious Relations is enabling the churches in their relationships with people of other faiths. It relates to international inter-faith organisations, and deals with issues such as the use of religion in situations of conflict, etc. Two documents - "Christian-Jewish Dialogue beyond Canberra" and

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The Office of Communication has provided valuable service in the area of News and Information. Fifteen books and five reprints have been published, as well as several periodicals; plans are in hand for production of a WCC Yearbook. A new mandate has been worked out for the Publications Board, with a different composition and procedures designed to enhance the image and mission of the WCC through the print media. A Communications Policy Statement will be submitted to Central Committee in August 1992.

Prof. Aagaard was impressed by the amount of work done by staff in implementing the new structure, but reiterated the need for further prioritising. It was clear that there were too few staff to carry out all the programmes mentioned, and she considered that some of these should be postponed if not phased out.

Mr Briggs also stressed the need for deciding on priorities; he felt that the Council was attempting too much. He asked whether all the issues we address need to be done on world level or whether some could be done by REOs, or by a World Communion. How can we establish priorities between ourselves and other bodies?

Dr Poser commented that REOs and donor agencies are being encouraged to take over certain tasks, and efforts had been going on along these lines since the Larnaca meeting (CICARWS) in 1986.

Mrs Rantakari asked how much could be expected from the Commissions at this their first meeting. She was afraid we were placing too great an expectation on them with regard to priority setting; many of them are also new to the Council's work.

The Moderator was of the opinion that the new structure was functioning in a satisfactory way, although much still remained to be done. He agreed that priorities must be established within the priorities established by Central Committee in order to have more clarity. He pointed out the difficulties for staff in adapting themselves to the new system, and felt they had done well in transcending some of the sensitivities involved in the process.

The process is continuing: we should not yet expect to see the structure as an established system but flexibility must be

4. INTRODUCTION TO COMMITTEE WORK

A number of documents had been prepared on aspects of ongoing programmes to which reference was made in plenary prior to referring them to the Programme Sub-committee. In some cases questions were raised for clarification on particular points, and responses were given by the respective staff member or by the General Secretary. These items are reported in detail in separate chapters of these minutes or under the Report of the Programme Sub-committee.

There was a brief closed session when documents relating to staffing and nominations issues were introduced.

5. PRELIMINARY REPORT OF THE FINANCE COMMITTEE MODERATOR

Ms Rantakari introduced the work of the Finance Sub-committee by giving a summary of the situation since the last meeting in September 1991. Contrary to expectations, the unaudited accounts for 1991 showed a surplus of just over Sfr 1 million; she expressed thanks to all involved that the anticipated deficit had been eliminated. Secondly, it appeared that the Seventh Assembly account would be balanced and that a reasonable sum would be carried forward to the next assembly. The revised budget for 1992 also looked more encouraging than in September, with a lower deficit than expected.

However, the final report of the Cambridge Associates (CA) on the Council's longer term financial equilibrium concluded that, unless WCC income can be increased by 2.2% in real terms - i.e. above the rate of inflation in Switzerland - the Council will have to reduce staff by ten or more per year.

The first attempt at a 1993 budget, which the Sub-committee would be studying, showed an anticipated deficit of Sfr 1.35 million, assuming a total staff of 270 throughout the year. More work must to be done, particularly on income predictions and staff levels, before the final budget is presented in August. Although we have gone a long way, we have not vanquished the Council's financial problems.

Ms Rantakari noted that in spite of many staff departures and reduced budgets, the need for further reductions must be avoided. Fresh impetus is required so that we can work together on the process of selecting and concentrating on priority programmes.

She urged members of the Executive and staff to address together such questions as: What are the most important things to be done, and when, and how? We must allow ourselves to do less; but how can we abandon our territorialism and enable each other to do better? When we can help each other address these questions, we will be in a position to describe the process to those outside and demonstrate that there is a change of attitude.

Now we must look forward in a positive way. The Finance Sub-committee wished to meet together with the Programme Sub-committee and with staff how they see their priorities, and how they would decide on the best use of their more limited resources and personnel. The Donors' Consultation in November 1991 made clear the need to clarify programmes and priorities, crystallise the vision and interpret it to the constituency - improving the quality of our activities, our evaluation and our reporting.

Secondly, the first phase of reducing staff and re-structuring being at an end, we must turn our attention to generating the income required to do the work which needs to be done. The most important items on the agenda were those relating to a strategy for income development. A number of initiatives were already being taken, and the Sub-committee would look at a first draft of a plan to be worked on further prior to the August meetings.

6. PUBLIC ISSUES

Rev. Charles Harper reminded members of the proposal by Central Committee in September 1991 that this Executive Committee give attention to the 500th anniversary of the coming of Europeans to Latin America and it was **agreed** that a letter to the churches be prepared. A Public Issues Committee was appointed, comprising Dr Tolen (convener), Bishop Anderson, Ms Best, Dr Kaessmann and Ms Ritchie.

At a later point it was **agreed** that a letter be sent to the churches of the new Commonwealth of Independent States (CIS). A further letter was also **agreed** on the allegations affecting church representatives in Eastern and Central Europe.

1. Letter to the churches on the 500th anniversary

At a later session, Dr Tolen presented a draft of the letter to the churches. A number of points in the draft were discussed, resulting in some revisions to the text.

Dr Tsetsis felt that a declaration of this importance should be more theologically sound; he proposed that the essence of the letter be agreed and that it be passed to the Officers to finalise. Others felt that the letter should be sent as amended. This was **agreed**, with three votes against (Prof. Aagaard, Mr Briggs and Mrs Rantakari).

The text was as follows:

We, the members of the Executive Committee of the Central Committee of the World Council of Churches, have been visiting this land of Latin America with its people, its history, its culture and its traditions. Together with our sister churches, we have felt the suffering, the hopes and the challenges facing all of us at this time.

We have been meeting in Santiago de Chile at a time when the churches, the ecumenical movements, the native peoples, the black communities and the political and social popular movements of Latin America and the Caribbean are caught up in one way or another in the ceremonies to commemorate the 500th anniversary of the coming of Europeans to the Americas, with all the contradictions this involves.

We have been impressed and challenged by the capacity and will of these peoples to resist eradication and to preserve their vital cultures. During our time here we have heard the voices of the native peoples, so often silenced, we have shared the laments of captivity rising from the black communities, we have prayed with the homeless and the marginalised in the countryside and in the cities and we have shared fellowship with women and young people, so often forgotten. Voices which have spoken to us of hope and death in their history and which have challenged us in our ministry with and to the poor to look for the right pastoral responses in these difficult times. Unless we find valid and loving responses to the injustices of the past and of the present, the gospel cannot be "good news" in the life of these nations and their forgotten people.

Our Lord, with the prophet Isaiah, proclaimed with power a message of hope. "The Spirit of the Lord is upon me, because he has anointed me to preach good news to the poor. He has sent me to proclaim release to the captives and recovering of sight to the blind, to set at liberty those who are oppressed, to proclaim the acceptable year of the Lord" (Luke 4:18-19).

Love in Christ recognises the right of the native peoples to live their own lives. We affirm that they have the right to their land, their language, their history, their culture, their religion and their own organisations. In this history we must not forget the men and women brought by force from Africa, who sowed and cut the sugar cane, harvested the coffee and cotton and were exploited to death in the mines and building sites. What a wealth of human resources Africa lost in this European adventure! What a wealth of human, cultural, religious and social resources the black communities have brought to the Caribbean and Latin America!

Today, as racism makes its reappearance with renewed violence, the black peoples, with their beauty and their resources, have to be recognised as being an integral part of the marvellous mosaic of these regions. But the subject of the 500th anniversary also reminds us of the coming of the gospel to this continent. We give thanks to God for the testimony of so many men and women of faith, who during these 500 years devoted their lives to the cause of Jesus Christ by preaching the gospel and serving the poor, the needy and the suffering. We give thanks to God for the good done by the work of evangelism in terms of justice and

love. At the same time, the hopes raised by the preaching of the gospel were not matched by corresponding actions on the part of the conquerors and the colonisers. The evangelisation was subjected to the vicissitudes of history, so there can be no room for triumphalism. Rather, this should be a moment for confession, repentance and conversion. In faithfulness to God's purpose, evangelism today faces the great challenge of helping to break down the walls of separation between Christians and strengthening unity among peoples. Meeting in 1992, we rejoice at the new winds of democracy and freedom blowing through the American continent. We would expect that this will allow those who are marginalised to participate in determining their own future. Nevertheless we are alarmed and distressed as we witness the tragic situation marked by poverty, deep social and economic differences, high rates of unemployment and lack of educational and health services, in which large sections of the peoples of Latin America and the Caribbean live today.

This is a situation which they share with other poor peoples in other parts of the world. Millions of people today live with the anguish of not knowing what they will eat, or what they will drink or what they will find to put on. Wide sections of these societies, particularly women, are denied the right to fulfil their potential as human beings. In face of all this death, violence and exploitation, the churches must not remain silent. They must proclaim freedom as good news for the poor in regard to their dignity as human beings. This being so, the struggle for freedom demands social and economic policies based on justice. These policies should benefit the vast majorities of the population.

This 500th anniversary teaches us that the churches are called to share in the struggle for the right to life of those who are poor and oppressed and those who are sacrificed on the altar of consumerism and economic growth. The "discovery" of America, the exploitation of the South and a continuing unjust trade policy are among the causes of the inequalities and injustices that exist in the relations between North and South today and which are growing worse at the present time. Even in North America, our sisters and brothers, North American native peoples, people of the land, and African-Americans brought also on the slave ships, have suffered and continue to suffer the same indignities. Unfortunately many people in Europe and North America are not aware of their historic responsibility for this situation. For Europe, 1992 represents an attempt to live as a community, chiefly an economic community, which will affect the political and social life of the peoples in the South. While these processes of unity give cause for hope, and though the East-West conflict is now a thing of the past - for which we give thanks to God - many people continue to experience exclusion in North-South relations.

We call on the rich peoples in the North and the wealthy sectors in the South to recognise the historic sin that they have committed by depriving a large part of humanity of the right to realise its full potential as sons and daughters of God. The churches are called to adopt an attitude of repentance and to re-examine their history and strengthen their commitment to life, working to ensure that in the new order of world relations the poor and marginalised are not forgotten. This date marks a time to make reparation. It is time to leave our offering on the altar and go towards the other, that we may be reconciled with one another. This reconciliation calls for concrete action in the sphere of social and economic justice, racial justice and other areas. This is an eminently ecumenical date. Let us together confess our guilt, united in the Christ who is life, and let us together seek ways of hope. We are all of us called to make our own specific contribution to the quest for justice and peace.

The challenges facing the churches are many. Let us support and pray for one another in our task of evangelism in proclaiming the good news - the good news of forgiveness and life for all. Let us raise our voices in hope, let us recover the memory of the past, let us struggle for justice and peace in the present and let us look together with imagination, creativity and faith to that future which is unknown but full of promise. On this date of 1992, the Messianic prophecy summons us as churches:

"I am the Lord, I have called you in righteousness, I have taken you by the hand and kept you; I have given you as a covenant to the people, a light to the nations." (Isaiah 42:6).

2. Letter to the churches of the Commonwealth of Independent States

Mr Harper explained that this letter would be based on the affirmation of support given by Central Committee to these churches in September 1991. He indicated the points that should be mentioned, and the general outline was agreed by common consent.

3. Letter to member churches about the allegations affecting church representatives in Eastern and Central Europe

In a closed session, Dr Tolen presented a draft of a proposed letter, explaining that such a matter should remain confidential until it was finalised. He felt it was important for the WCC to say that all we do is open and public; we are not hiding anything but we want to safeguard the fellowship and trust among us. It was seen as more appropriate to inform member churches of such matters than to leave them to find out from the media.

The General Secretary asked members of the Executive whether such a letter would be helpful to church leaders in Eastern Europe. Archbishop Kirill said that although he did not require this himself, it would indeed be helpful for others in Eastern Europe if the WCC were to express confidence in those with whom it worked in the difficult years of oppression and cold war. He expressed appreciation for the spirit in which the discussion on this issue had taken place in response to his remarks earlier in the meeting.

There was some debate as to whether this should be a general letter to all the churches, or whether it should be addressed to those churches in the midst of the present turmoil. The general feeling was that it be sent to all the churches, and that it be signed by the Moderator and the General Secretary.

7. WCC POLICY REVIEW ON SOUTH AFRICA

In follow-up to the General Secretary's visit to South Africa in October 1991, and his letter to the churches in November 1991 regarding a re-launching of the Special Fund to Combat Racism, Rev. Barney Pitsoa introduced some background notes describing the present situation in South Africa. The results of the referendum in South Africa were encouraging and should open the way to fulfilment of the negotiation process for the democratic future of South Africa. Things were moving very fast, and our member churches are constantly seeking guidance from the Council as to how they should relate to South Africa, not only in terms of solidarity programmes but with regard to visits, travel, boycotts and so on.

Since WCC policies no longer reflect current developments, and although it is not certain that the situation has changed sufficiently to withdraw all sanctions, it is important that we align ourselves with actions being taken within the international community. An interim statement was therefore proposed, with the possibility of a more comprehensive reduction of sanctions when Central Committee considers the issue in August.

The matter was referred to the Programme Sub-committee for detailed study.

At a later session, Ms Ritchie reported on behalf of the Sub-committee. The Executive Committee **agreed** to take interim action in view of the urgency of the situation. With some revisions in wording, the statement was **approved** as follows:

The public statement on South Africa by the WCC Seventh Assembly in Canberra in February 1991 called for a consultative process to be initiated by the WCC with member churches in South Africa, the SACC and the liberation movements with a view to "determining the criteria for 'clear evidence of profound and irreversible changes' and

to agree together on the moment when the lifting of sanctions would be justified."

Since then, the General Secretary made a highly valued pastoral visit to South Africa in October 1991, which culminated in a consultation of the churches in Cape Town on 22-24 October. That being a churches' meeting, the liberation movements and other secular organisations with whom the Council has been in partnership in the struggle against apartheid were not represented. (The report of the visit and documents from the Cape Town consultation have been published in PCR Information 30/91: From Cottesloe to Cape Town).

Political developments within South Africa are of such a nature and take place at such a pace that the WCC needs to determine its response and to act fast. Such action should take place only after consultation with its partners, both church partners and through listening to the voice of the worldwide anti-apartheid solidarity movement. Such a review should take account not only of the political and constitutional issues but it should raise profound theological questions about the ecumenical vision and action as to the most appropriate ways of engagement in situations of social and political transition.

On 17 March 1992, the white minority electorate voted in a referendum to support the process of constitutional negotiations initiated by President F.W. de Klerk. By voting in such a decisive manner, white South Africans signalled their readiness to change the constitutional structure of their country.

The WCC recognises that the political changes in South Africa are still in process. It realises that its policy objectives and those of the international community have not been achieved as yet. It believes that there is still need to maintain pressure and other international measures in order to ensure lasting peace and justice for all. Yet it is of the essence of Christian charity, faithfulness and integrity that some acknowledgement is given when substantial progress is being made.

The WCC remains concerned about the fact that many governments seem ready to abandon the people of South Africa on the basis of an inchoate process of reform. It is at such moments that the partnership of principle and not economic expediency, pursued by WCC for so long, becomes relevant. It is important that the WCC should keep the issue of South Africa on the ecumenical agenda, to monitor developments and to remain vigilant as new opportunities emerge.

It is affirmed that the WCC seeks to arrive at a position which is ethically justifiable, theologically sound and politically defensible. Such a position must be owned by

the whole WCC if it is to be the cornerstone of its engagement in South Africa.

It is noted that the churches in South Africa are also in the process of determining their own policy in regard to current developments and how best they might respond to them. This is very crucial if they are to give guidance to their ecumenical partners abroad. In the meantime, it is necessary for the WCC to seek clarification in order to ensure consistency in its policy and with its partners.

The Executive Committee, therefore,

A: **encourages** the General Secretary to continue consultations and soundings with the churches in South Africa on appropriate ways in which the WCC might continue to maintain international pressure so as to remove all vestiges of apartheid;

B: **proposes** that WCC programme policy take account of the needs of the churches and, wherever possible, that WCC programmes be integrated and coordinated in order to ensure maximum benefit during this time of transition and beyond;

C: **expresses** satisfaction that the overwhelming majority of the white electorate endorsed the reform process which is set to transform economic and political life for all the people of South Africa. This is a sign of hope. The WCC offers encouragement and support to all those engaged in negotiations under CODESA. We pray that these deliberations may bring South Africa to a speedy and peaceful constitutional settlement;

D: **revises** its policy towards South Africa in the following manner, with immediate effect:

- that all sanctions and isolation measures in the fields of sport, culture, travel and tourism as well as academic links, be lifted; all existing travel restrictions to and from South Africa are hereby withdrawn. It is hoped that these 'people-to-people' contacts will be used to strengthen the democratic forces by the promotion and sharing of skills, training and knowledge. The Committee trusts that such a positive affirmation will help those who have been underprivileged by apartheid to participate better in development, reconstruction and in nation-building;

E: **affirms** that the policy of international sanctions has helped to bring about the changes now taking place in South Africa. Therefore, the sanctions measures supported by the WCC so far in economic, trade, finance and investments shall be maintained. More specifically, the arms embargo, including the exchange of scientific information and technology for the armaments industry, as well as sanctions on oil and related products, shall remain in place;

F: **looks forward** to the moment when there will be substantial and effective participation in all forms of government by all the people of South Africa, during the interim period and beyond, in order to promote the social and economic wellbeing of all the people of South Africa;

G: **urges** the General Secretary to keep the situation in South Africa under review, and **requests** that a comprehensive report on new policy options for South Africa be presented to the Central Committee meeting in Geneva in August 1992.

8. TOWARDS THE EIGHTH ASSEMBLY

Rev. Wesley Ariarajah presented a paper prepared by staff (see Appendix III), referring to the recommendation following the Canberra Assembly that there be a detailed discussion on the nature, purpose, style and size of any future assembly prior to the appointment of an Assembly Planning Committee. Central Committee has requested an interim report at its meeting in August 1992. Mr Ariarajah highlighted four aspects:

- whether or not to attempt to combine the celebratory and business aspects of the assembly;
- considerations as to how to achieve balanced representation among delegates without imposing 'rules' on the churches, perhaps through seeking another process;
- how do we carry out our election processes? - is there another way that can be tried?
- appointment of leadership and preparation of leaders.

Although there is no reason for the Council to have the same kind of assembly as in the past, careful consultation with the member churches would be required if any major change were to be envisaged, and this would have to be embarked on as soon as possible.

In 1998 the World Council will celebrate its 50th anniversary; the year 2000 will also merit some celebration. In order to have sufficient time for detailed preparation, Central Committee will have to make a number of decisions at its meeting in 1994. The Executive Committee should consider whether to appoint a group to look at all the issues raised, and if so whether members should be drawn from among its number or include some members of Central Committee, or even persons from outside the governing bodies.

In the preliminary discussion, Mr Briggs suggested separating the two major questions: 1) the nature of the assembly, and 2) the way in which we carry out our business, including elections, but also the whole question of public issues and statements.

Dr Kaessmann felt the emphasis must be on preparation of delegates in the regions; it was not sufficient to do this on arrival.

Bishop Talbert felt that both celebration and deliberation should have their part and it must be possible to find a way to do both well. Prof. Aagaard on the other hand thought the two should be separated, perhaps one following the other.

With regard to Central Committee, Bishop Talbert noted that many member churches cannot be represented on a Committee of 150 members; he wondered whether the membership should be increased to allow for wider representation.

Dr Nababan saw the assembly as the place where we take stock of where we are on the pilgrimage towards unity, and that should be the central point of an assembly.

At a later session, Ms Ritchie presented the report of the Programme Sub-committee which had discussed the various issues in detail. A number of recommendations were offered for approval together with a series of comments on the staff document. Some of these provoked considerable discussion in the plenary of the Executive, and though there was a move to postpone further discussion till August, time then would be even more limited so it was seen as important to continue.

Points made included the following:

- Archbishop Kirill stressed the importance of the exchange of experiences and ideas between people, which had not been possible at Canberra due to the length and style of plenary sessions. Dr Kaessmann agreed that the educational side of plenaries in Canberra was overdone, based on a mistaken assumption that delegates would not be sufficiently prepared. Since they were better prepared than anticipated there should have been opportunity to discuss issues rather than simply introducing them.

- Ms Rantakari hoped the next assembly would see the culmination of the process of the Common Understanding and Vision of the Council.

- Prof. Aagaard warned against making the 50th anniversary simply a review of the past; it should rather be a coming together of the process on goal and vision. Secondly, she felt the question of the sheer number of people had not been adequately faced; the logistical problems cannot be ignored, and decision-making becomes an impossible task.

- Mr Briggs reiterated that past experience has shown how difficult it is to do business effectively in a large gathering. A counter-proposal was therefore offered by the Programme Sub-committee that other means be sought to elect the Central Committee - perhaps on a regional basis. It also asked whether an assembly is the appropriate place for dealing with public

issues. The General Secretary pointed out that Canberra took place in a war situation and should not be taken as the norm.

- Dr Tolen noted that the term 'celebration' must be defined properly since it does not only refer to worship. For Central Committee we must be clear whether we want to include both the deliberative and celebrative elements; secondly, the number of delegates we are thinking of; and thirdly, how business matters should be dealt with.

- Archbishop Kirill saw the celebration of the 50th anniversary as something quite different from the celebrative character of the plenary sessions. He suggested that, for a real celebration of 50 years, a large number of guests should be invited to celebrate with us, making it a central point of the assembly that would serve as an impulse for further development of ecumenical thinking in the churches, and a sign of what the ecumenical movement means for them. This would of course influence the site chosen for the assembly.

- Prof. Aagaard did not consider it helpful to ask staff to prepare a new paper for August; rather they should draw up a one-page paper with a list of questions coming from the discussion in this Executive Committee which we could look at again in August. Questions should include: What do we assemble for? Why? What is the ecumenical movement and what is the WCC within it? With regard to worship: What do we celebrate?

- The General Secretary pointed out that, in order to allow for a substantial discussion in Central Committee in August, such a document would have to be sent out in advance. Any changes proposed by the Executive could be included in a separate paper.

There was general agreement to recommend that the next assembly be held in 1998. But there was no clear agreement as to whether the celebrative, educational and deliberative aspects should be held together in a single event.

Finally, there was agreement that, following discussion in Central Committee, a group of ten persons should be appointed to give detailed attention to the matter and prepare proposals for decision in 1994.

9. REPORT OF PROGRAMME SUB-COMMITTEE

Ms Ritchie presented the report of the Programme Sub-committee.

A. WCC/RCC Relationships

The Sub-committee received information about the first full meeting of the Joint Working Group (JWG) held in March 1992, and about meetings of its Executive group that had taken place during the past year. The agenda had dealt with the mandate, function,

priorities and methodology for common endeavours in the next seven-year period.

The mandate and functions were based on the Sixth Report of the JWG (presented to the Canberra Assembly), and on suggestions from the former WCC governing bodies, the report of the Policy Reference Committee in Canberra, and on recommendations from the Pontifical Council for Promoting Christian Unity (PCPCU).

1. The **mandate** of the Joint Working Group includes the following:

- to promote, monitor and coordinate relationships and cooperation between the RCC and the WCC;
- to contribute to ecumenical endeavours by promoting theological exchange between the RCC and the WCC through competent bodies, on their respective reflections on issues confronting the churches in our constantly evolving world;
- to help in assessing the ecumenical situation, stimulating the search for visible unity and common Christian witness, and giving careful attention to concrete needs in particular situations at regional, national and local levels;
- to support and encourage whatever may contribute to deeper ecumenical progress between the two parent bodies.

While focusing on the official structural level of WCC/RCC relations and ongoing cooperation between WCC units/offices and RCC partners, a substantial review of the present differentiated picture of ecumenical reality would be provided. Significant progress in various regions and implications for growing fellowship would be studied, and obstacles to common witness analysed. Assessing afresh the common ground shared by the RCC and the WCC and developing new perspectives for more effective collaboration would be part of the permanent agenda and of the basic studies assigned to the JWG for this new period.

- a) The **membership** of the JWG comprises seven persons from different regions named by each partner, with pastoral, theological and ecumenical experience and expertise, together with three staff members from each side.
- b) The **Executive** of the JWG is a coordinating body comprising the co-moderators, co-secretaries and two staff members from each side. It is responsible for the coordination of ongoing cooperation between meetings of the JWG, and for the preparation of these meetings including their agenda and documentation required.
- c) The JWG normally assigns specific tasks to small ad hoc groups, particularly when dealing with studies, and takes into consideration the competence of WCC units and RCC counterparts.

2. The following **priorities** for the new period have been proposed:

- a) The Unity of the Church - goal, steps and ecclesiological implications
The first stage of the work in this area will be an ecumenical interpretation of the Canberra statement on unity.
- b) Ecumenical Formation
A document on ecumenical formation is to be prepared and published by the end of 1993.
- c) Mixed Marriages
The report and recommendations on this issue from the previous period should be studied for their ecumenical and ecclesiological implications, and the way in which the freedom left by canon law was used. The difficulties encountered and the limitations in this area should be shared with the sponsors of the study (WCC/RCC governing bodies).
- d) Interreligious Marriages
A study on this matter will be undertaken in cooperation with the Pontifical Council for Inter-religious Dialogue and the WCC Office for Inter-religious Relations.
- e) Ethical issues as potential sources of division
(church-dividing issues)
A small group will pursue the study on ethical issues within the framework of the guidelines and questions raised in the Sixth Report of the JWG. Particular attention will be given to two aspects: i) ecclesiology and ethics; ii) basic guidelines for using dialogue on ethical issues as new opportunities for the increase of mutual understanding and respect, as well as providing new opportunities for common witness.
- f) Social Thought and Action
Acknowledging the lack of progress in this important area, the JWG suggests that contacts between the Pontifical Council on Justice and Peace and the corresponding new programme units and offices of the WCC be renewed as soon as possible, and areas of collaboration agreed upon. There should be follow-up on the findings of the 1990 joint meeting of RCC/WCC partners on social thought and action. The JWG encourages those partners to initiate some studies or joint study conferences on issues of common interest. Joint publications then might be envisaged.
- g) Common Witness
In our present changing and still divided world, there is greater need than ever for common Christian witness. Due attention is to be given to the seriousness of the situation facing churches in the challenges presented by the growing number of 'sects' and 'new religious movements'. Seeking ways together of responding to these challenges will contribute to common witness.

A new statement on proselytism and a revised edition of the booklet on Common Witness (1982) are recommended, as well as some guidelines for collaboration in the areas of development, humanitarian aid, etc. The fulfilment of projects in the above-mentioned studies on unity, ecumenical formation, mixed marriages, ethical issues, social thought and action, and ongoing collaboration between WCC units and partners in the RCC will be a process of promoting Christian witness.

The Executive Committee **received** this report and **referred** it to Central Committee for endorsement of the mandate and priorities of the WCC/RCC Joint Working Group.

B. Uniatism and Orthodox/Greek Catholic Relations

In follow-up of the recommendations adopted by the Executive Committee in September 1991, an ecumenical initiative regarding Uniatism in Central and Eastern Europe has been launched. Ecumenical teams visited Czechoslovakia and Romania in early March meeting with the churches concerned, and another team visit to Bielorussia and the Ukraine is planned for early May.

An ecumenical consultation sponsored jointly with the Conference of European Churches (CEC) will take place in July 1992 to examine the tense relations between churches in the above-mentioned countries in light of the reports of the team visits, approaching the issues of uniatism both theologically and ecumenically, bearing in mind the historical background. The consultation will also explore ways by which the WCC and CEC might best assist in creating favourable conditions for a constructive dialogue and contribute towards an equitable solution of the present problems.

The Executive Committee **received** this progress report for information, encouraged the continuation of the planned initiatives and requested that a full report be submitted to its next meeting and to Central Committee in August 1992.

C. Ecumenical Global Gathering of Youth and Students (EGGYS)

At an early session, Mr Peter Brock presented a progress report on the process leading up to the Gathering. The recent Planning Committee meeting in Paris had focused its work on the methodology by which working groups at national and regional levels would study the themes and thus have opportunity to prepare within the constituencies of the different partners prior to the Gathering. The fact that there had been no Youth Working Group meeting since 1989 meant that the WCC side had lacked a certain clarity in its preparatory work, but time would be spent with the Commission in May to find ways to mobilise our network more fully.

The Planning Committee had established the basic framework of the process before and after the Gathering, and set plans to fit within the financial possibilities. The unity and commitment of the six primary partners had been deepened, and the community of support for the Gathering consolidated. The formation of working groups which will focus on eight themes and issues was affirmed as a major component of the EGGYS process. Details of the character and scope of the working groups, their composition as well as their tasks and methodology were spelled out in a paper shared with the Executive Committee.

With regard to the Gathering itself, Mr Brock referred to the criteria for selection of participants and the numerical breakdown agreed on for each of the partners. The WCC had been allocated 90 places, but additional WCC participants would be included in other capacities. Particular care was being given to ensuring confessional, regional and other balances. Selection of delegates is due to be completed by the end of December 1992.

Ms Rantakari asked what image of the WCC would be brought to the Gathering. This was of great importance and should be discussed in advance. Bishop Zacharias asked that there be some reference to young people's participation in church life.

At a later session, Ms Ritchie presented the comments of the Programme Sub-committee, which had received the report with satisfaction, noting the progress it indicated in building up cooperation between WCC Youth and its five partners in the process. It affirmed plans for the thematic work of the process as well as for the framework of the Gathering and suggested that the EGGYS Planning Committee seek to bring out more fully the concerns of young people and their religious faith and practice both in the thematic work and at the Gathering itself, as well as the question of interreligious dialogue.

The Executive Committee requested that the report to the August meeting deal at more length with the theme of the Gathering, and with the process and participation in it.

D. Mid-Decade Reflection Process

Ms Gnanadason reminded members of the Executive Committee that, built into the initial proposal for the Ecumenical Decade of the Churches in Solidarity with Women, was an evaluation process to be carried out in 1993-1994 both in the regions and in the churches to assess the impact of the Decade so far. Central Committee in 1989 had approved such a process, including special funding of Sfr 450,000.

She introduced a paper elaborating on a new proposal coming from a recent meeting of staff persons from women's desks of REOs. They were suggesting that the period 1993-1994 be devoted to a dialogue with the churches in order to engage them in a critical reflection on the progress made in the promotion of the goals of the Decade, and in order to facilitate plans for action in the

remaining years. Such a reflection would include a review of what has been achieved in practical terms, and would assess the obstacles encountered.

It is envisaged that the reflection process would be organised at three levels: 1) at member church level, 2) issues for solidarity action, and 3) reflection on the WCC's programmatic work and decision-making processes.

At member church level, it is proposed that ecumenical teams visit each member church to engage in dialogue on what has been achieved, listening to the experiences of the churches and particularly of the women in connection with the Decade. This would require an increase in the budget already approved, to include the appointment of a consultant for two years to organise the team visits. The Executive Committee was being asked to consider the request for additional special funding authorisation.

Dr Nababan proposed that a variety of methodologies be developed for the team visits, taking seriously the cultural approach of our churches. There are some cases where a process is developing and a visit from persons outside the context may disturb rather than assist this development. Dr Kaessmann on the other hand felt that a team from outside the country would be more effective, at least in the case of Germany.

Bishop Zacharias urged that the churches be asked to do some evaluation of what they have done so far; it would also be helpful to share what is going on in churches around the world to encourage those that have not yet been able to achieve very much.

At a later session, Ms Ritchie reported on behalf of the Programme Sub-committee which had given careful consideration to the proposal.

The Executive Committee **agreed** that the revised proposal for a Mid-Decade reflection process be approved, and it called upon the member churches to cooperate in the process. (See also Report of the Finance Sub-committee, p.37).

E. Faith and Order World Conference

Dr Gassmann presented a progress report on plans for the World Conference, 3-14 August 1993. After investigating a number of possible locations, it had been decided that the best facilities at a reasonable cost were to be found at Santiago de Compostela (Spain). Although the place is renowned as a centre of Roman Catholicism, the Archbishop is ecumenically committed and the Protestant Churches in Spain are assured of their full involvement.

Three sub-committees of the Faith and Order Standing Commission have been established: 1) to prepare a working Document on the theme and sub-themes; 2) on worship and Bible studies; 3) on

programme, organisation and finance. Meetings of these groups would be combined with regional consultations.

The revised version of the Working Document would be shared with the churches and with various other organisations and interested persons. On the basis of their input, a final version would be produced in March 1993 for submission to the World Conference.

It was hoped that a broad group of people would be involved in the preparations for the World Conference and in reflecting on the theme: **Towards Communion/Koinonia in Faith, Life and Witness** and on the four sub-themes: Confessing the one faith to God's glory; Sharing a common life in Christ; Called to common witness for a renewed world; Growing into koinonia so that the world may believe.

Above all the hope is that the Conference will provide fresh impetus and new directions in the search for the visible unity of the churches, and that it will highlight some specific issues for the churches and for the WCC which might help us to move forward on our ecumenical pilgrimage.

In response to questions, Dr Gassmann said there was awareness of the need to invite a number of younger theologians in order to involve the new generation. Secondly, some joint reflection was taking place with the Unit on Justice, Peace and Creation on the conciliar concept and ecclesiological implications of the JPIC process.

Fr Bria pointed out that the World Conference is not only a major meeting but a historical moment with significance for the whole ecumenical movement. It is also taking place in the context of the new structure where Faith and Order is linked more closely with spirituality, ecumenical formation. and the concept of inclusive community.

Bishop Boseto asked what would happen to the working document after the Conference: would it go to the churches? would there be some follow-up to implement some of the visions expressed? The churches should be committed to action. Archbishop Kirill agreed, asking also what had happened to the convergence documents on Baptism, Eucharist and Ministry (BEM) and other Faith and Order studies.

The General Secretary responded that the World Conference should not only be seen as a culmination of ongoing Faith and Order studies but also as a moment once in 30 years when we can place before the whole constituency the calling to the visible unity of the church, and to offer an opportunity to renew their commitment to that unity. Dr Gassmann added that the second sub-theme would look at the issues related to BEM in an attempt to show what has been achieved in the process so far and what are the remaining issues. It takes between eight and ten years for all the churches to take up an issue of this kind.

At a later session, the report of the Programme Sub-committee was presented, and the following points noted:

- The World Conference should not only produce theological reports but also become an occasion to call the churches to a renewed ecumenical commitment and to provide directions for the future course of the ecumenical movement;
- The World Conference should point to present and future priorities, such as the concept of koinonia/communion, the relation between ecclesiology and ethics, and a common understanding of the WCC;
- The World Conference should evaluate the studies on BEM, Unity/Renewal, and the Apostolic Faith processes, and indicate steps ahead in these areas, including the possibility of a special act of confessing together the apostolic faith.

Other suggestions noted included:

- Christian World Communions are free to organise their own preparatory consultations;
- the possibilities for attendance by accredited visitors should be reconsidered in order to be less restrictive;
- the implications for Faith and Order of the new WCC structure should be reflected.

The Executive Committee **received** the progress report with the understanding that information on the further process of preparation, and the draft working Document on the theme and sub-themes would be brought to its next meeting in August 1992.

In response to a question regarding the by-laws of the Faith and Order Commission, Dr Gassmann said that these could only be changed by the Plenary Commission, not by the World Conference.

F. Considerations on Christian/Muslim Relations

Dr Tarek Mitri presented a draft document, explaining that it resulted from a series of Christian/Muslim encounters in follow-up to a 1979 recommendation regarding "Guidelines on Dialogue". It is addressed to Christians but is not intended to be a policy document. It is meant to contribute an ecumenical perspective on the issue in such a way that is helpful to those engaged in work at the local level; it is also intended to constitute a point of reference for the Office on Inter-religious Relations, and may serve as an interpretative tool for those with whom we are in dialogue.

The document has been shared widely and a number of reactions - both positive and critical - have been received which will form the basis for revising and finalising the text.

In discussion, Archbishop Keshishian pointed out that some Muslims seeing the document may consider it as stating the official position of the WCC so the final drafting should be sensitive to that; secondly, it should not give the impression that it has a missiological character.

Archbishop Kirill noted that such matters were beginning to play a greater role in his country. He felt there should be more mention about the connection between religious issues and the ethnic clashes so prevalent at this time. These are guidelines for Christians, but the main task is to invite Muslims to dialogue.

There were also other comments addressed to specific sections of the document and some suggestions for further clarifications or additions.

At a later session, Ms Ritchie reported on behalf of the Programme Sub-committee.

The Executive Committee **received** the document "Considerations on Christian/Muslim Relations" with appreciation, reaffirming that it is not meant as a policy text but as a set of considerations to be shared with the churches for their information and reflection.

The structure and basic content of the document were approved. The Committee **recommended** that the sections referring to a number of current problematic issues be further elaborated:

- religious identity and nationalist or ethnic self-assertions
- the role of religion in conflict situations
- Islamic law and co-citizenship
- the status and role of women in Christianity and Islam
- reciprocity in Christian/Muslim relations
- the presentation of the Christian faith to Muslims.

The Committee **requested** staff to revise the document and to present it to Central Committee in August 1992 for consideration and adoption.

G. Towards a Common Understanding and Vision of the World Council of Churches

Ms Oduyoye, introducing the subject, reminded members that two plenary sessions during the last meeting of Central Committee were devoted to a discussion on this subject. It was hoped that, on the basis of continuing discussion in the member churches and elsewhere, the Central Committee in 1995 would adopt a significant statement on the Common Understanding and Vision of the WCC, articulating the vocation of the Council on the threshold of the 21st century in a way that would help member churches to renew their ecumenical participation as an essential component of their internal life.

A staff group had been meeting to work on the preparation of a study booklet designed to enable a wide range of groups and individuals within and outside the member churches to contribute to the process, and a group of persons have been invited to a consultation in July to draft appropriate study materials to engage the wider constituency in the process.

Since member churches have requested the process, it is expected that they will provide solid contributions through their responses to the study materials. Convinced that this joint effort to articulate together a common understanding and vision is central to the future of the WCC, the staff group believed that several strategies should be pursued in order to assist the discussion among WCC constituencies.

Churches should be urged to discuss these issues in meetings of their governing bodies, and staff travel should provide opportunity to elicit feedback from member churches on the subject. The process cannot be isolated from the Council's history or from its ongoing work.

At a later session, Ms Ritchie reported on behalf of the Programme Sub-committee.

Dr Tolen saw the discussion in Central Committee as a new attempt to say something about our common understanding, while Bishop Boseto felt it was now time to listen to what is being done on this in the regions. Ms Rantakari saw it as an important 'umbrella' process for everything we are doing. It should include not only the study process but the strategies to be followed later on as part of our self-understanding.

The General Secretary pointed out that the aim is for the member churches to confront the question: "What is the WCC for us?" There are other centres of the ecumenical movement, but we need to know how the churches see the WCC at this point in time.

The Executive Committee **received** the information provided and suggested that the following be included in the process:

- the common understanding and vision of the WCC in the context of the ecumenical movement.

The Committee **requested** that a report be given to the Central Committee on the consultation planned for the elaboration of a study document on the process.

H. 1992: Programmatic Implications for the WCC

A paper summarising WCC activities around the events of 1992 had been shared with members of the Executive Committee. Units and Regional Task Forces have been following, enabling and facilitating the covenanting process established at the Seoul World Convocation on Justice, Peace and the Integrity of Creation as well as supporting many other activities and actions coming from

REOs, churches and groups. A '1992 Staff Group' had been formed to monitor and coordinate the various activities taking place at different levels.

Consideration was given to the paper by the Programme Sub-committee, and a number of revisions were suggested.

1. The Executive Committee **requested** that the document be shared with the members of the Unit Commissions at their meeting in May 1992, with the following requests:

- that consideration be given to the programmatic implications for the various units, and to ways of implementing them;
- that other possible programmatic implications be proposed;
- that inter-relations across the units be defined and explored.

2. In order to avoid a Eurocentric perspective on the consideration of Europe 1992, the Executive **recommended** that two reactions bringing perspectives from the South be included in the Central Committee debate on the issue.

I. Central Committee Programme

A draft programme for the August meeting of Central Committee was considered by the Programme Sub-committee and a number of suggestions for revision were proposed. Dr Nababan asked that if possible the meeting be scheduled to end at midday on 28 August, in which case it might be helpful to hold the closing worship that morning instead of at the end of the meeting.

J. Report on UNCED

At the request of the Moderator, Rev. Wesley Granberg-Michaelson gave a brief update regarding WCC plans in relation to the the UN Conference on Environment and Development due to take place in Rio de Janeiro in June 1992. The WCC will be represented at the Conference in its capacity as an NGO accredited to the UN.

Besides being an event, the UNCED process challenges the churches to commit themselves to respond to development and environment issues from a faith perspective. A programme of preparatory work has been undertaken over the past two years; this is based in Unit III on Justice, Peace and Creation, with cooperation from Units II and IV, and has enabled the churches to be aware of the event and the process. Special attention is being given to the Earth Charter and many churches are choosing this as a focus of their UNCED involvement.

An ecumenical gathering of 120 delegates is being sponsored by the WCC as one of many gatherings clustering around the NGO parallel events, ending at Pentecost. With the theme "Searching for new heavens and a new earth - an ecumenical response to

UNCED", its purpose will be to stimulate and strengthen the ongoing work of the churches in their commitment to issues of development and environment within the context of the JPIC process. It is also expected to provide clear direction for the Council's future work on the questions of social and political ethics for a sustainable future.

Dr Tolen remarked that, despite many world conferences and declarations, things usually seem to continue as usual afterwards. The interests at stake here are enormous, and he felt that the World Council's role should be seen in terms of raising serious questions about what kind of action can really be taken.

K. Style of work of Programme Sub-committee

The Sub-committee suggested a modification in its style of work proposing that:

- there be a plenary early in the meeting of the Executive to deliberate on the financial implications of programme and staffing documents brought before the Committee;
- papers 'for information only' not be put on the agenda for discussion;
- the Sub-committee have access to information to facilitate the review of ongoing work and to participate in decisions on the nature of future programmes;
- documents for discussion not be read in plenary but that deliberations begin with questions for clarification.

Dr Kaessmann felt it was not satisfactory to limit certain discussions to members of Sub-committees when all members of the Executive were interested in particular issues, as this only led to a renewed discussion in plenary. She proposed that in future there be three Sub-committees: Finance, Staffing/ Nominations and Public Issues, and that programme matters be dealt with in plenary.

A number of members spoke in favour of spending more plenary time on discussion of programmes, but some felt it important to maintain a Sub-committee on Programme. Prof. Aagaard proposed an amendment to Dr Kaessmann's motion that this be tried for the next meeting.

The Executive Committee voted in favour of Dr Kaessmann's proposal as amended; Ms Rantakari and Bishop Zacharias voting against. Ms Rantakari requested the Officers to consider the matter and to bring a proposal to the next meeting.

10. DATES AND PLACES OF FUTURE MEETINGS

The Programme Sub-committee considered a number of invitations that had been received for future meetings of both the Executive

and Central Committees. It was **agreed** to accept with appreciation the invitation to meet in Sweden in September 1993.

Invitations to Finland (Executive) and South Africa and the USA (Central Committee) would be confirmed at a later date when more details were available.

1993	March	Executive Committee, Geneva
	September	Executive Committee, Sweden
1994	February	Executive Committee
	February	Central Committee
	September	Executive Committee

11. REPORT OF SUB-COMMITTEE ON STAFFING AND NOMINATIONS

At a closed session early in the meeting, Rev. Carlos Sintado introduced a number of documents related to staffing matters providing background information for members of the Executive.

With regard to the Staffing Report and contract extensions proposed, Ms Best asked why such decisions were being asked for at this stage prior to the Commission meetings. She felt that if the Council's work is to be cut down in terms of priorities, some of those staff proposed for contract renewal may not have the expertise required for the work to be done. She asked that these renewals be delayed until August.

The General Secretary responded that a larger number of staff than usual were reaching the point where a decision is required about the renewal of their contracts; it is important for them to know at least one year before the date of expiry. He was committed to bring an end to the 'interim' period.

Prof. Aagaard felt that the incoming General Secretary should be given some freedom in selecting personnel. Dr Castro responded that it was normal for a newly appointed General Secretary to work with the existing team to start with. Arrangements were already made for him to have a say in the appointment of the four executive directors.

In response to a question as to why some vacancies had not been advertised, the General Secretary pointed out that there had been a ban on recruitment of new staff from outside and he had therefore been obliged to work through internal transfers.

Dr Tolen asked that efforts be made to reach clarity with regard to staff titles. The General Secretary said he was aware that this was a task that still remained to be done.

At a later closed session, Dr Nababan presented the report of the Staffing and Nominations Sub-committee.

A. Staffing Matters

1. The Sub-committee recommended, and the Executive Committee **agreed** that a document "Staffing in the WCC", reviewing the overall picture of the staff situation, be shared with members of the Central Committee.
2. Papers on Staffing Procedures for those in Grades 7-10 and on the appointment of Executive Directors were **approved** with some amendments.
3. Given the fact that the programmatic profile of the Units will be further defined during the Commission meetings in May 1992, the Sub-committee **recommended** that:

a) at this time, only those contract extensions required by the Rules and Regulations be approved, and that they be to a date not later than 31 August 1993;

b) the General Secretary be asked to bring to the next meeting of the Executive Committee in August 1992 an overall view of the present and future staffing needs of the Council within the limits of the staff numbers approved by Central Committee;

c) vacancy notices for the following posts be advertised, with the understanding that these positions would be filled within the agreed staff numbers:

Unit III	- International Affairs, Racism;
Unit IV	- Middle East Area Secretary;
General Secretariat	- Church and Ecumenical Relations
	- Publications Editor.

The Executive Committee **agreed** to the above recommendations.

Ms Best asked the General Secretary to consider whether there is an ongoing need to appoint 'associate executive directors' for the four Units.

4. Appointments:

The Executive Committee **authorised** the General Secretary to proceed with the following appointments, the legal obligations of the World Council of Churches to be binding only as from the actual signing by both parties of the corresponding contracts.

UNIT I:

Mr John McVie (UK, Church of Scotland) as Finance Officer for three years from 1 April 1992;

GENERAL SECRETARIAT:

Ms Margaret Reid (UK, Church of England <Anglican>) as Finance Officer for three years from 1 April 1992;

Mr Huibert van Beek (Netherlands, Swiss Protestant Church Federation) as Programme Secretary for the Office of Church and Ecumenical Relationships for one year from 1 May 1992;

Ms Jean Stromberg (USA, American Baptist Churches in the USA) as Director, US Office (New York), Church and Ecumenical Relations, for three years from 1 September 1992

Ms Malle Niilus (Argentina, United Evangelical Lutheran Church) as Director, Central Services, for three years from 1 May 1992.

Dr Tolen asked that at the next meeting, projections on balances among the staff be provided, since balances must apply to all programme positions and not only to the executive directors.

B. Nominations

1. Membership of Unit Committees and Committee on the General Secretariat

The list of proposed membership and moderators of the Unit Committees and Committee on the General Secretariat was **agreed**, on the understanding that Vice-moderators would be nominated by the Executive in August.

2. Membership of Unit Commissions

A number of changes in membership of Unit Commissions approved by Central Committee in September were **agreed**. Some of these were necessary because those proposed were not able to serve, or were not acceptable to their church.

Co-moderators of Unit Commissions were **agreed** as follows:

- I Dr Elsa Tamez, Evangelical Methodist Church, Costa Rica
Metr. John of Pergamon, Ecumenical Patriarchate, Turkey
- II Dr Sigrun Mogedal, Church of Norway
Bishop Erme Camba, United Church of Christ in the Philippines
- III Dr Adebisi Sowunmi, Church of the Province of Nigeria
Prof. L. Rasmussen, Evangelical Lutheran Church in America
- IV Rev. Ana Langerak, Salvadorean Lutheran Synod, Costa Rica
Bishop Serapion, Coptic Orthodox Church, Egypt

3. Youth Advisers to Central Committee in August 1992

The General Secretary explained the practice since 1988 that six persons were invited to serve as youth advisers at meetings of Central Committee in order to increase the youth participation.

Attempts were made to select persons from different countries and churches from those invited previously. The Executive Committee **approved** the six names proposed:

Khepi Samuel Shole	Lutheran	South Africa
Donnalie Edwards	Anglican	Jamaica, W.Indies
Irena Bialokoz	E Orthodox	Poland
Fady El Zokm	Presbyterian	Egypt
Peter Yawata	Anglican	Japan
Valamotu Palu	Methodist	Tonga

12. REPORT OF FINANCE SUB-COMMITTEE

Ms Rantakari presented the report.

1. 1991 accounts:

The draft accounts for 1991 showed a surplus of Sfr 1.163 million due to the improved exchange rates, and with income at a better level than expected. The Financial Report and audited accounts would be presented in August.

The Executive Committee **received** the draft accounts for 1991 and noted with pleasure the surplus of Sfr 1.163 million.

2. Seventh Assembly account:

The Executive Committee **received** the draft account for the Seventh Assembly and was glad to note that a balance of over Sfr 1.2 million would be carried forward to the next Assembly. It **requested** that a final account be presented at its meeting in August.

3. Revised Budget 1992:

The Executive Committee **received** the revised budget for 1992, noting with pleasure that the anticipated deficit had been reduced by about Sfr 1.5 million. It **approved** the revised budget on the understanding that the shortfall would be drawn from operating balances so far as they related to the number of staff employed by the Council during the year in excess of the target of 270.

4. Integration of Programme and Resources:

A joint meeting of the Programme and Finance Sub-committees was held in response to the often stated intention to ensure closer integration between programme planning and priorities, and the resources available. The tasks of the joint meeting included sharing information about the financial situation in general and the 1993 preliminary budget in particular; exchanging views on special funding authorisations; reporting on the Donors' Consultation held in November 1991, noting the advice given to the Council:

- the need to clarify programmes and priorities, to crystallise the vision and interpret it to the constituency;

- the need to look to the quality of programmes and activities and to improve evaluation and reporting; and
- the need to communicate more effectively with the constituency, to develop two-way (informing and listening) relationships, and to be aware of the importance of the perceptions of the WCC among the churches and nations.

It was suggested that there be future joint meetings of the two Sub-committees at the beginning and end of the committee work period at each meeting to ensure that recommendations to the Executive Committee are compatible. It was also felt that the Staffing and Nominations Sub-committee also be involved, especially when personnel matters are so crucial to both programme and financial concerns.

5. Preliminary Budget 1993:

This showed an anticipated deficit of Sfr 1.345 million, due to the high rate of inflation. Income was budgeted at the same level as 1992.

The shortfall on Unit I resulted from the dependence of its programmes on undesignated income (UDI) which had been static for many years and was thus declining in real terms; new designated income must be sought. Unit II had only achieved a nearly balanced budget by delaying two staff appointments; there is determination to raise more money and find other methods of working. Unit III's budget was balanced but problems were being encountered in doing the work due to shortage of qualified staff. Unit IV found that the indeterminate amount of shared costs made it difficult to budget and plan for the long-term, and a ceiling on shared costs was urged together with a long-term planning strategy for the Council.

There is little funding available for the Offices of the General Secretariat so these expenses are being met from UDI or redistributed, and this is a source of anxiety in the units.

Archbishop Kirill asked why no effort was being made to implement the recommendations made by the Cambridge Associates (CA): what was being done concretely to eliminate the deficit? Mr Davies pointed out that one of the recommendations had been to reduce the number of operating centres, and this had been done through the new structure. Reducing the deficit was a longer-term task although short-term measures are being taken by negotiating with the Units and the General Secretariat.

The Executive Committee **noted** the preliminary budget for 1993 and the anticipated shortfall of Sfr 1.345 million. It **asked** the staff and the Finance Sub-committee to:

- a) revise the budget in consultation with the General Secretariat and the Units with a view to eliminating the shortfall;
- b) seek additional revenue to help meet the shortfall;

c) bring to the Executive Committee in August a revised budget which is balanced.

6. Income Considerations:

The most pressing need is to identify new donors, particularly to support Unit I, and the Offices of Relationships and Communication.

- Unit I attracts little designated funding although it represents an essential aspect of the Council's life. The new association of theological and ecumenical formation with faith and order work may broaden the interest in each, but new sources of income have yet to be identified.

- Unit II benefits from support by historic mission structures, but these are receiving less funds in general. But the new conceptual association of mission with health and education could attract new interest and funding from some of the more conservative mission societies. Donors need assurance that the well-respected work of the former medical commission is being maintained even if it is not so readily identifiable. The largely secular funding of the former Education sub-unit may be deflected if its new context is not carefully interpreted.

- Unit III programmes are characterised as being highly fundable by both church and secular donors concerned with 'the world's problems' but there is concern about the dislocation and departure of staff which some donors interpret as a down-grading of WCC priorities for this work.

- Unit IV benefits from continuity in having the longest tradition of support and the least change in staff and structure; its exposure to dollar exchange fluctuation is the broadest in the WCC.

- The new Offices for Relationships are an expression of Assembly directives in both 1983 and 1991, yet they have no counterparts in the membership. The only funding so far is that for the inter-faith work of the former Dialogue sub-unit.

The overall income of the Council is not keeping pace with the combined impact of inflation and exchange exposure. As UDI has not kept pace with inflation for 20 years it cannot be assumed to be the support base for programmes or for the General Secretariat. Long-term planning is required so that new sources of income can be developed to produce the Sfr 2 million per year of new funds needed to maintain current programmes, even at zero growth.

A fuller report on possible ways to increase income would be brought to the Committee in August.

7. Salary increase:

The Executive Committee **approved** an increase in the rate of staff remuneration by not more than 5.5% with effect from 1 April 1992.

The Executive Committee further **requested** the Staffing and Nominations and Finance Sub-committees to undertake a review of the policy regarding cost of living adjustments and step increases in the light of the financial situation and to report its conclusions at the next meeting.

8. Special Funding Authorisations:

Existing authorisations are as follows:

- EGGYS: Sfr 1.547 approved; Sfr 1 million to find;
- Faith and Order World Conference: Sfr 700,000 approved; Sfr 435,000 to find;
- Mid-Decade process: Sfr 150,000 approved; additional authorisation of Sfr 340,000 sought to make total of Sfr 490,000, of which Sfr 425,000 to find.

The Sub-committee discussed a proposal that special funding of Sfr 500,000 be authorised for a Consultation of NCCs to be held in Hong Kong early in 1993. There was no possibility of providing this from the WCC operating budget in 1993. This being an NCC activity, supported by the WCC, it was felt that the NCCs should take the initiative in raising the funding. The Planning Group for the Consultation was to be asked to provide a budget and indicate how they propose to raise the income; a report would be requested for the August meeting.

The Executive Committee **agreed:**

- to authorise an additional special funding request for Sfr 340,000 (making a total of Sfr 490,000) for the Mid-Decade process - Churches in Solidarity with Women;
- to defer consideration of the WCC contribution to the NCCs Consultation until a full budget of expenditure and income has been received; it requested this information for its August meeting.

9. Building Project:

The Sub-committee considered a report on the progress of the project to build a block of some 50 apartments on land exchanged with the Canton of Geneva for a plot formerly owned by the WCC but not available for development. For this the Council received, in addition to the building plot, the sum of Sfr 1.5 million (less tax of Sfr 150,000). The possibility of building a guest-house on the Council's main site has also been considered but was not financially viable.

An application for planning consent for the apartment block has been submitted to the Cantonal authorities; once this has been granted, the architects (who designed the Ecumenical Centre) will seek quotations for the building work. If these are satisfactory, the Building Project Committee asks to be allowed to proceed with the building, which should begin in January 1993 and be completed by mid-1994.

In discussion, Ms Best expressed concern about the Council becoming involved in the housing market, and she voted against

the proposal. Dr Castro explained that the decision had been taken many years ago but that negotiations for the exchange of land had taken a long time. The building would be the property of the WCC but would given to an agency to administer. It would provide low-cost housing with rents set at the level prescribed to help those with lower income.

The Executive Committee **noted** the report on the Building Project and **authorised** the General Secretary to proceed with the building, once satisfactory tenders have been received from contractors, on the understanding that:

- a) the project managers and architects recommend that the price is reasonable and that the contractor is sound;
- b) that the work can be undertaken without any WCC financial contribution beyond the value of the land and the money obtained from the land exchange;
- c) that the undertaking will be self-funding from the subsidies and rental income from the occupants; and
- d) that the property will be useful to the WCC and to the community in providing reasonably priced accommodation for WCC staff and other local people.

10. Investment Advisory Group:

The Executive Committee **received** the report of the Investment Advisory Group (IAG) and **agreed**:

- a) the appointment of Mr W. Macy Marvel, of Julius Baer SA, as a member of the IAG;
- b) that, for budget purposes, exchange rates be at a rate of Sfr 1.5 for the US dollar and 0.885 for the DM for 1992 and Sfr 1.5 for the US dollar and 0.890 for the DM for 1993 subject to revision if a longer-term currency management policy is agreed at the August 1992 meeting of the Committee;
- c) **to approve** the revised Investment Policy Guidelines agreed by the IAG.

11. Audit Committee: The Executive Committee **agreed**:

- a) that Mrs Alice Tulloch be appointed a member of the Audit Committee;
- b) that the Rev. Jean-Pierre Jornod be invited to continue as Moderator of the Committee, and
- c) that the mandate of the Audit Committee be suspended to take this into account (since M. Jornod is no longer a member of Central Committee).

The Committee expressed its appreciation to M. Jornod for his continued service to the Council in this and other capacities.

12. Property at Bossey:

Full information about the WCC property at Bossey and its potential for development had been requested, but the Sub-committee agreed to defer consideration of the matter until the Director and Finance Officer of Bossey could be present. Fr Bria said that

he had been available for consultation and regretted that he had not been invited to discuss the matter. Ms Rantakari apologised for the misunderstanding, and assured him that the issue would be taken up at the next meeting.

13. Retirement Fund:

A review of the terms of the WCC pension scheme is being undertaken and some recommendations will be put to the Board at its meeting in August. Two matters would have direct financial implications for the Council:

a) a proposal that seniority supplements should be pensionable, because this would increase the Council's pension contributions (14% of salaries paid) as well as the staff members' contributions (7%);

b) the suggestion that the cost of servicing the pension fund now be borne by the Fund. This is within the rules of the Fund, but hitherto the cost of the half-time person in the Finance Department has been borne by the WCC; this is becoming increasingly difficult with reduced staff and heavier workload in the Department.

These points would be further discussed when the suggested changes have been fully costed.

14. Final report of the Cambridge Associates (CA):

The final report, together with the report on the project by the Assistant General Secretary, were discussed by the Sub-committee. Most of the matters raised in the first part of the report (governance, budgeting and organisation) have already been taken into account in the new structure, or are subject to continuing work by the Financial Recovery Group, the Sub-committee and by staff.

The final section on 'Planning for Financial Equilibrium' needs more detailed study. The principle of long-term financial planning is accepted, but more clarity is required on Unit priorities and financial policies before this can be usefully pursued. The basic conclusion - that to retain 270 staff and the current level of activity requires an annual increase in income of 2.2% in real terms (i.e. on top of Swiss inflation) - needs to be understood by everyone.

While some disappointment was expressed at the lack of ideas on income generation in the report (though this was not part of CA's mandate), the report was welcomed as a useful tool for the guidance of the governing bodies and the staff.

The Executive Committee **received** the final report of the Cambridge Associates, **expressed** thanks both to them for their work and valuable advice, and to the donors whose contributions covered the full cost of the project.

It **noted** the recommendations contained in the reporting regarding the need for a 2.2% increase in income in real

terms for the Council to be able to maintain its staff at 270 and its activities at the current level.

It **affirmed** the need for long-term financial planning and **asked** the staff and the Finance Sub-committee to give further consideration to the report and to bring recommendations in due course.

15. Re-distributed costs and Undesignated Income (UDI):
The Executive Committee **agreed** in principle the following guidelines:

a) All general, administrative and overhead costs of the Council should be charged to Units and others, including where appropriate tenants and others in the House who benefit - i.e. the costs of the Office of Management and Finance (except for OICD) should be re-distributed in one way or another;

b) UDI should be used to cover the costs of the General Secretariat (General Secretary, Deputies, Assistant GS and their offices), Governing Bodies, Assembly Reserve, fund raising (OICD), and such other operations as may be agreed from time to time by the Finance Committee on the recommendation of the Staff Executive Group. The balance should be available for new initiatives by Central Committee for a limited period until designated income has been generated;

c) All programme Units should generate sufficient designated income for their work;

d) Since the Unit will be the financial base in the future, designation should, as far as possible, be for the Unit rather than for a specific programme or desk within it.

The Executive Committee **recognised** that 1992 and 1993 are transitional years in which it will not be possible to implement the above guidelines fully; and **asked** the Finance Sub-committee to keep the matter under review and to bring a progress report and recommendations when it presents the final budget for 1994 to the Committee in March 1993.

16. Currency Management and Exchange Control:

In view of budgetary difficulties experienced by the WCC at times due to extreme fluctuations in exchange rates, much time has been spent in consultation with the IAG, the Financial Recovery Group, the Cambridge Associates and staff groups in seeking ways to reduce risks and establish equilibrium in this matter. At its meeting in January 1992, the IAG recommended that the Council establish a fixed exchange rate for a period (three to five years) using the Exchange Equalisation Reserve to meet any shortfall in budget due to exchange rates falling below the fixed rate. The Reserve now stands at Sfr 3 million and it is recommended that the interest be added back each year. If the Reserve were to fall to a specified level (say Sfr 1 million), it should

be 'topped up' by a further charge on investment income before distribution, or by a re-distributed charge.

The Finance Sub-committee has accepted this advice and asked the staff to prepare a detailed plan and, in consultation with the IAG, to propose the fixed rates to be used for an initial fixed period of three years from 1 January 1993, for approval by the Committee at its next meeting.

17. Towards a Financial Strategy for the WCC:

The Sub-committee approved an outline for an overall financial strategy paper for the Council, and asked the Assistant General Secretary (AGS) to continue to develop this in consultation with staff colleagues for consideration at a future meeting.

18. Project and Trust Funds:

At the September 1991 meeting, the AGS was asked to undertake a review of all funds held or administered by the Council. His interim report states that this is a major task with implications both for the way in which the Council operates and controls its finances in the new structure, and for the method of presenting the report and accounts so as to give as full a picture as possible of the Council's finances.

The operating budget is approximately Sfr 40 million per year, but the amount passing through project and trust funds is more than twice that amount. The Sub-committee requested the AGS to continue his review. Ways should be found by which all these figures can be included in the 1994 budget rather than just the 'operating budget' items included at present.

19. Cooperation with Fraternal organisations:

One of the recommendations of the Assembly Reference Committee, taken up by the Financial Recovery Group (FRG) was that discussions be initiated with fraternal organisations regarding possibilities for closer cooperation in both programmatic and practical activities. Initial discussions have taken place on two levels and attempts will be made to explore possible forms of cooperation.

20. Financial Recovery Group (FRG):

The Group has held two meetings and much of its work has been taken up either by the Sub-committee or by staff. The Group does not see the need to meet again but it should remain in existence until March 1993 in case further work is required. Those available in August will meet to monitor progress and prepare a final report for the Finance Sub-committee if this appears necessary.

21. Income Projections by OICD show an increase of some 1.1% on 1991 in 1992, and about 2.2% on 1992 in 1993. Taking anticipated Swiss inflation into account, this would mean a decline of 4.6% in purchasing power this year and 3.7% next. UDI has only increased 26.4% in the period from 1975-1991 - less than 2% compounded - so in real terms it has significantly declined in value. A number of donor churches and agencies are known to be facing substantial financial difficulties themselves, and there

is little hope that they could respond to the call for the increase of 2.2% over inflation that is required. New sources of income must therefore be sought.

22. Income Development:

The Sub-committee heard a report on income development prospects, and was informed of the efforts of the Income Development (staff) Group. Two projects were brought to the attention of the Executive Committee:

a) Ecumenical Consultation on Resource Sharing in North-East Asia - initial steps have been taken to set up a meeting with NCCs and member churches from Hong Kong, Japan, Korea and Taiwan; preparatory visits would be made later in the year. This is seen as an opportunity to review resource sharing in this region, to pose specific challenges arising from Canberra, and to seek pledges towards various aspects of the Council's work.

b) USA developments - A USA Income Development Group has been formed and a major fundraising campaign is being embarked on jointly with the NCCCUSA. Plans are underway and a Memorandum of Understanding has been developed which will serve as a basis for preparing a more detailed proposal.

The Executive Committee

- **endorsed** the proposal for an Ecumenical Consultation on Resource Sharing in North-East Asia;
- **approved** in principle the idea of a cooperative fundraising effort between the WCC and the NCCCUSA in the USA
- **expressed appreciation** for this initiative, also endorsed in principle by the Governing Body of the NCCCUSA, and
- **asked** the General Secretary to take the appropriate steps to pursue the development of a specific proposal for joint action as appropriate, bringing a report to the August 1992 meeting of the Executive Committee.

23. An Income Development Strategy for the WCC:

The Sub-committee recognised that the process of developing a lasting strategy may take some time and should not be rushed. A document would be shared with the Executive Committee at its next meeting.

24. Finance Committee of the Central Committee:

The full Finance Committee at its August meeting would consider the 1991 accounts, a progress report for 1992, and budgets for 1993 and 1994. The Sub-committee would undertake a more detailed consideration of financial matters. The Assistant General Secretary was asked to prepare a paper on the respective roles of the full Finance Committee and the Sub-committee and their mode of operation in the future for consideration by both groups in August.

At the final session, and following a joint meeting with the Programme Sub-committee and further discussion within the Finance Sub-committee, Ms Rantakari made a number of comments concerning the long-term process for integrated programme and financial planning:

She pointed out that the Programme Unit Commissions and Advisory Groups, meeting in Evian in May 1992, were being urged to clarify priorities and 'translate them into effective programmes', looking ahead for at least the next three years.

Following the Evian meetings, the General Secretary would recommend decisions on staffing in light of the programme priorities and plans that were developed. This would enable a clear picture of which areas may be in greater need of funding, as well as helping to direct our longer-term efforts at income generation.

The 1993 and 1994 budgets and programme plans presented to the Executive and Central Committees in August 1992 should reflect these principles.

Ms Rantakari hoped that the longer-term process with regard to the Common Understanding and Vision of the WCC would assist the Council in clarifying the mandate and future strategy for its vocation in the coming years.

13. CLOSING ACTIONS

The Moderator expressed thanks to those who had helped to facilitate the smooth running of the meeting, mentioning in particular the interpreters and those responsible for the administration.

After the final session, a festive dinner took place at the Casa Salesiana to which members of the local organising committee were invited. They had worked under the leadership of Rev. Erasmo Farfán, a member of the WCC Central Committee.

All member churches and associate member churches of the WCC in Chile were represented on the local committee:

- Iglesia Evangélica Luterana en Chile
- Iglesia Pentecostal de Chile
- Misión Iglesia Pentecostal
- Iglesia de Misiones Pentecostales Libres de Chile
- Iglesia Metodista de Chile
- the Greek Orthodox Patriarchate of Antioch

as well as the Confraternidad Cristiana de Iglesias de Chile.

The General Secretary expressed to all those present on this occasion the sincere gratitude of the Executive Committee. He presented souvenir gifts to those who had been instrumental in planning and carrying out the wide variety of local events that had made it possible for members of the Executive and staff to enter into the life and work of the churches in Chile. The experience of being in Chile - for many the first visit to Latin America - was very special and memorable for all of us and one which would remain in our hearts and minds in the years to come.

Thanks were also expressed to the staff of the Casa Salesiana for their friendly assistance.

APPENDIX IATTENDANCE

Presidents: Prof. Dr Anna-Marie Aagaard
 Bishop Vinton Anderson
 Bishop Leslie Boseto
 Dr Aaron Tolen

Officers: Archbishop Aram Keshishian (Moderator)
 Ephorus Dr Soritua Nababan (Vice-Moderator)
 Pastora Nélide Ritchie (Vice-Moderator)
 Rev. Dr Emilio Castro (General Secretary)

Members: Ms Marion Best
 Mr John Briggs
 Ms Virginia Gcabashe
 Rev. Dr Margot Kaessmann
 Metr. Kirill of Smolensk
 Very Rev. Leonid Kishkovsky
 Ms Maryssa Mapanao
 Ms Birgitta Rantakari
 Bishop Melvin G. Talbert
 Rt Rev. Dr Zacharias Mar Theophilus

Apologies for absence:

Presidents: Ms Priyanka Mendis
 His Beatitude Patriarch Parthenios
 Rev. Eunice Santana
 His Holiness Pope Shenouda

Members: His All Holiness Bartholomeos
 Metr. Daniel of Moldavia and Bukovina
 Ms Beatrice Danquah
 Rt Rev. Drexel Gomez
 Rt Rev. Dr J. Henry Okullu

*

Substitute Gr.Prot. Dr Georges Tsetsis

Guests: Rev. Felipe Adolf
 Rev. Erasmo Farfán
 Mr I. Rantakari
 Rev. Pablo Sosa
 Ms Margaret Stockwell

Staff: Rev. Dr Wesley Ariarajah
 Mr Israel Batista
 Ms Midge Béguin-Austin

Rev. Myra Blyth
 Prof. Ion Bria
 Mr Peter Brock
 Rev. Michael Davies
 Rev. Christopher Duraisingh
 Rev. Dr Günther Gassmann
 Ms Aruna Gnanadason
 Rev. Wesley Granberg-Michaelson
 Rev. Charles Harper
 Mr Jan Kok
 Dr Tarek Mitri
 Ms Mercy Amba Oduyoye
 Mr Oh Jae Shik
 Rev. Ofelia Ortega
 Ms Marta Palma
 Rev. Hugh Pettingell
 Ms Teny Pirri-Simonian
 Rev. Nyameko Barney Pityana
 Dr Klaus Poser
 Mr Günter Rath
 Prof. Todor Sabev
 Rev. Carlos Sintado
 Ms Jean Stromberg

Interpreters: Ms Elisabeth Delmonte
 Rev. Dr Eugene Stockwell
 Mr Vasily Makhnev

Minute-writer: Ms Rosemary Green

Administration: Ms Ursula Zierl

MEMBERSHIP OF SUB-COMMITTEES**Sub-committee on Programme**

Rev. Nélide Ritchie	Moderator
Metr. Bartholomeos of Chalcedon	(absent)
Ms Marion Best	
Bishop Leslie Boseto	
Metr. Daniel of Moldavia	(absent)
Ms Beatrice Danquah	(absent)
Ms Priyanka Mendis	(absent)
H.H. Pope Shenouda	(absent)
Dr Aaron Tolen	
Gr.Prot. Dr Georges Tsetsis	(Substitute)
Bishp Zacharias Mar Theophilos	

Sub-committee on Staffing and Nominations

Ephorus Dr Soritua Nababan	Moderator
Mr John Briggs	
Ms Virginia Gcabashe	
Bishop Drexel Gomez	(absent)
Dr Margot Kaessmann	
Metr. Kirill of Smolensk	
His Beatitude Parthenios	(absent)

Sub-committee on Finance

Ms Birgitta Rantakari	Moderator
Prof. Anne-Marie Aagaard	
Bishop Vinton Anderson	
Very Rev. Leonid Kishkovsky	
Ms Maryssa Mapanao	
Bishop Henry Okullu	(absent)
Rev. Eunice Santana	(absent)
Bishop Melvin Talbert	

TOWARDS THE EIGHTH ASSEMBLY

Background

A comprehensive evaluation of the Seventh Assembly was presented to the meeting of Central Committee in September 1991. The evaluation group recommended to Central Committee that, before an Assembly Planning Committee (APC) for the Eighth Assembly is nominated, the Central Committee should provide for a thorough discussion on the nature, purpose and size of a future assembly and on a number of other specific matters raised in the evaluation report.

Members of Central Committee welcomed this proposal and requested the Executive Committee to initiate a process of discussion that would enable Central Committee in 1994 to make definite decisions on the Eighth Assembly and to appoint the APC at that time. Since there would be no meeting of Central Committee in 1993, the Executive was requested to bring a progress report to Central Committee in August 1992.

Issues for discussion

While a comprehensive discussion of a future assembly is called for, the following constitutes a first list of important issues that should be within the mandate of a group that would take up this question.

1. Nature and size of the Assembly

In theory, an assembly is a meeting of the appointed delegates of the member churches to review the work over the previous period and to set priorities for the next seven years. It also has the responsibility to elect the Presidents and the Central Committee to oversee the work in the next period. This is all that is constitutionally required of an assembly. That would mean that the size of the assembly could be - with delegates, staff, press, etc. - in the region of 1500-1800 persons.

But in actual practice, past assemblies have built into these basic constitutional tasks the aspect of celebration as a world church, the opportunity to learn on issues of common interest, the expression of the churches' common mind on public issues, consideration of the relationships to other ecumenical bodies, pre-assembly preparatory events, etc. Since the assembly meets only once in seven years, the practice of inviting observers and guests has developed. There is also a Visitors' Programme in order to enable a larger group to join the celebrative aspects, to enable persons in the locality where the assembly meets to benefit from the event, and to build and enlarge the ecumenical

constituency. In other words, assemblies have played a key role in setting forth the place and role of the WCC within the ecumenical movement.

This meant in Canberra that the total official participants at the assembly stood at 4082.

What are the problems?

- a) It has been increasingly difficult to find, within our resources, facilities that are adequate to run such large assemblies. This has resulted in the choice of 'split' locations for the work of the assembly, and inadequate facilities with consequent effect on programme planning and administration.
- b) Programme planning and execution for this number of persons requires special professional skills which are not necessarily present among staff, who are employed by the Council for different skills related to their programmatic work.
- c) Some feel that the work of the delegates, especially in their efforts to fulfil the constitutional responsibilities of review of past work, setting priorities, electing the Central Committee, etc. are influenced and adversely affected by the numbers and by the overall emphasis on celebration.

Questions we need to face

- a) Should the celebrative and deliberative aspects of the assembly be held at the same time and place? What is a reasonable size for an assembly, and of whom should it be made up? What can be done with the increased requests for participation in the assembly, in one category or another, especially from those who are ecumenically committed in our member churches in the Western hemisphere? Do we continue to have a Visitors' Programme?
- b) What are the essential elements that should be built into an assembly? What should be dropped from past assemblies, and what new components might be added?
- c) When should the next assembly be held, and from what areas of the world should invitations be encouraged?

In considering these questions it is important to point out that in 1998 the WCC will be celebrating the 50th anniversary of its inauguration in Amsterdam in 1948. It will also be within two years of a new millennium. How do these factors affect our celebrative/deliberative discussion?

2. Assembly site

- What basic conditions should a location fulfil in order to be judged adequate to hold an assembly? Which of these conditions is non-negotiable?
- Is it agreed not to accept an invitation to hold an assembly until it is certain that the facilities available in the place suggested are adequate?

3. Pre-Assembly events

- What pre-assembly events should be held, and when? How do we relate the importance of preparing the leadership of the assembly and its participants to other important events such as the Youth and Women's pre-assembly meetings? What is the best use of the days immediately prior to the assembly?
- Do we recommend pre-assembly visits? When should these take place, and to what extent? How do they relate to pre-assembly events?

4. Selection of Delegates

- How do we get the desired levels of participation of women, young persons, laity and confessional groups, without having to enter into protracted negotiations with the churches?
- Is it possible to look at the seat allocation to churches and to each delegation with a view to agreeing on principles that would ensure the agreed levels of participation?
- What is the date by which the names of delegates should be received? Can we agree with the churches that names sent after that date would not be considered for leadership roles at the assembly?
- What further work should be done to meet specific questions on delegations, such as the adequate representation of united churches, churches that have a diaspora, etc.?

5. Elections

The evaluation group has called for a thorough review of the election processes. How do we arrive at an election process that is less painful? What are the different alternative processes by which we can agree on a list of presidents and members of Central Committee for action by the assembly? Should the whole election process itself be separate from the assembly?

6. Preparatory period

- a) What are the preparatory activities that should precede an assembly and when should they begin?
- b) What can be done to involve the churches in the whole period of preparations, also with a view to adding input into the preparatory material and the identification of issues?
- c) What kind of preparatory material should be produced, and when should it be available to the churches?
- d) What is the place of the preparatory materials at the assembly? How can they be better used to justify the amount of time spent in preparing them?
- e) Should there be more extensive communications activities and publications after the assembly than before? How can these be provided for?
- f) Who should prepare the preparatory material?
- g) What other and more creative ways should be employed to prepare the churches?

7. Programme style and content

What special instructions would Central Committee want to give to the APC with regard to the following:

- a) Worship and its relation to the rest of the assembly
- b) Nature and number of plenaries
- c) Work of sections and small groups
- d) On reporting on the work of the WCC at the assembly
- e) Committee work
- f) Handling of Public Issues
- g) Administrative support to the assembly
- h) Nature and function of the Business Committee
- i) Other matters

What use can be made of the communication revolution in both the running of the assembly and in linking churches all over the world to the event?

8. Seating arrangements

A number of complaints have been made about the seating arrangements of the different categories of persons at the assembly - delegated representatives, observers, guests, etc. What kind of seating arrangements should be made for persons other than delegates?

9. Place and role of the media

What is the place of the media (especially television coverage) at the assembly? To what extent should it influence the way in which the assembly is prepared? What is the role and place of press conferences at an assembly and how should they relate to the main event?

10. Finance and subsidies

What aspects of the assembly should be subsidised? On what basis do we give a subsidy to delegates? What are the processes of consultation that should be part of an agreement about a subsidy?

11. Ecology

Concern was expressed about the ecological aspects of the assembly. What are the areas of the life of the assembly where greater consciousness of ecology should be insisted upon?

12. Assembly Planning Committee (APC)

- a) What is the mandate of the APC and how does it relate to the staff?
- b) What is the relationship of the APC to the Worship Committee?
- c) What is the role, if any, of the APC or its members at the assembly?

The Executive Committee may wish to constitute itself as the group to discuss these matters, or it may appoint a group from among its members to do further work and study with a view to bringing proposals to its meeting. Alternatively, it may wish to appoint a group of some of its own members plus some others, who may or may not be members of Central Committee, to go into these questions and to report back to it.

The group appointed to do this work should report to the Executive Committee in March 1992 and then continue its work in order to give a progress report to Central Committee in August 1992.

It would be important to get authorisation at the August 1992 Central Committee for the Executive to bring to Central Committee in 1994 the following matters for action:

- a) Suggestions for the place and dates of the assembly for approval;
- b) Suggestions for an assembly theme for discussion and decision;

- c) Names for the membership of the APC for discussion and approval;
- d) General principles on the nature of the assembly and its content for approval and to pass on to the APC;
- e) Suggested calendar and timetable for the period following the 1994 Central Committee meeting, leading up to the assembly.

If these decisions are not made by Central Committee in 1994, it will be too late for the preparatory process.

World Council of Churches Operating Budget

Assumptions: 1\$US = Sfr 1.50; 1DM = Sfr 0.

	General Secretariat, Governing Bodies, Assembly	Office of Relationship and Communication	Office of Management and Finance
	---	---	---
Staffing Levels: Grades 1 - 5	8	18	53
Staffing Levels: Grades 6 - 10	7	22	13
	---	---	---
Salaries and related charges	1,800	4,401	6,258
Office expenses	143	504	1,855
Meetings	600	360	3
Consultations	30	60	0
Travel and Hospitality	180	222	68
Publications expenses		1,506	2
	-----	-----	-----
TOTAL DIRECT EXPENSES	2,752	7,052	8,185
Cost of Rooms	205	324	-1,493
Cost of Finance Department	86	389	-1,415
Cost of Personnel department	72	173	-888
Cost of Management Information Services	94	83	-570
Cost of Language service		-903	
Cost of Library	68	163	-721
Cost of Communications Department		-3,823	
Cost of studio			-213
Transfers to Funds	900		150
Transfers to Other programmes	165	85	668
Recovery from Other Centre Users		-10	-1,673
	-----	-----	-----
TOTAL EXPENSES INCLUDING TRANSFERS	4,342	3,533	2,030
TOTAL INCOME excluding UNDESIGNATED INCOME		1,839	1,338
	-----	-----	-----
NET COSTS	4,342	1,693	692
	=====	=====	=====

APPENDIX IV.1

Revised Budget 1992

Draft Budget 1993

Unit I	Unit II	Unit III	Unit IV	1993	1992	1991
Unity and Renewal	Mission, Education and witness	Justice Peace and Creation	Sharing and Service	Total	Revised	Actual
---	---	---	---	---	---	---
19	15	18	32	163	174	
17	19	17	19	114	122	
---	---	---	---	---	---	
3,407	3,360	3,900	5,636	28,761	28,772	27,200
178	375	570	565	4,190	4,497	6,352
600	175	250	60	2,047	2,530	1,271
170	250	350	150	1,010	760	804
163	275	400	350	1,657	1,602	1,093
139	225	220	150	2,242	2,544	2,601
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4,657	4,660	5,690	6,911	39,907	40,706	39,321
166	269	319	446	237	221	
108	260	234	404	65	63	
82	158	158	245		-56	
43	94	112	187	42		
108	190	210	330	-66	30	
107	173	156	185	130	-21	
499	880	977	1,532	65	197	
28	49	54	85	4	5	
600	50			1,700	1,050	536
	35			953	1,031	1,286
				-1,683	-1,754	-2,121
-----	-----	-----	-----	-----	-----	-----
6,397	6,818	7,909	10,325	41,355	41,472	39,022
4,984	6,548	7,880	10,143	32,732	33,060	33,070
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1,413	270	29	183	8,623	8,412	5,952
=====	=====	=====	=====			
Over recoveries				477	439	
				-----	-----	-----
Net costs				8,145	7,973	5,952
Undesignated Income & Interest				6,800	6,750	6,579
				-----	-----	-----
Net deficit				1,345	1,223	-627
				=====	=====	=====

INVESTMENT POLICY GUIDELINES

The following statement was agreed by the Investment Advisory Group as guidelines for managers of WCC investment portfolios with effect from 1 October 1991. In the light of comments and experience, it was revised on 28 January 1992.

1. WCC GENERAL GUIDELINES

For various non-financial reasons, the Governing Bodies of the WCC have determined over the years that some kinds of investment are not acceptable to the Council:

- a) investments in South Africa (this will be reviewed in the light of developments there, but is still currently in force);
- b) investments in nuclear power;
- c) investments in armaments;
- d) investments in gaming, alcohol or tobacco.

Clearly, where a company or conglomerate has any significant interest in any of these fields, the WCC is unable to invest in them. From time to time, a decision is made on ethical grounds that the WCC cannot hold a specific investment. This will be notified to the manager. (At the present time, the only such investment is in Nestlé SA, because of their policy of marketing breast milk substitutes in Africa).

If queries arise on the interpretation of these guidelines, they should be referred to the Investment Advisory Group through the Comptroller.

2. PURPOSES OF THE FUNDS

There are a number of portfolios representing different funds, each of which is likely to have its own specific aims. These need to be taken into account in considering questions of asset maintenance, yield and risk.

- A. Retirement Fund of the WCC. Article 7 of the statutes of the Fund says: "The assets of the Fund shall be invested by the Board, according to the commonly accepted principles of proper investment management, with a view to obtaining the highest income while judiciously spreading the risks. The legal provisions governing the investment of the assets of retirement institutions shall, however, apply."

The object of the Fund (Article 4:1) is "to provide security for the employees of the World Council against the economic consequences of retirement, disability and death through the provision of statutory benefits."

- B. General Funds of the WCC. Financial assets, general reserves and fund balances not currently required are invested, in order to generate income, whilst maintaining the availability of resources, to meet liabilities as they arise. Such funds require a degree of liquidity not so essential for the Pension Fund.
- C. Endowment Funds - general and specific. These have been created, either to fund a particular unit or programme or to provide a general fund for income generation (e.g. from bequests or personal capital gifts). Here a balance between current and future generations needs to be maintained. However, the current policy of the Council is that interest on these funds is paid over to the Council as it arises. The value of the funds is maintained by adding periodically to the capital (e.g. from legacies received and special endowment gifts).

3. INVESTMENT CRITERIA - LIQUIDITY

Both the Retirement and the General Fund investments require a degree of flexibility, the former to enable capital payments to be made to beneficiaries entitled to them, the latter to support WCC cash flow and purchase other assets as required (also sometimes to fund deficits).

4. CURRENCY MIX

Since the Swiss franc is the main operating currency of the Council performance will be measured in terms of the Swiss franc. However, a currency mix is desirable up to the limits set by the law for the Retirement Fund. For the General and Endowment Funds, at least 40% of the portfolio should be held in Swiss francs and not more than 40% of the portfolio should be held in other non-EMS currencies. Hedging is permitted at the discretion of the managers.

5. PERFORMANCE

Overall performance will be judged by comparison with that of the other managers over each 3 year period (in the first instance from October 1, 1991).

6. ASSET MIX

On the General and Endowment Funds up to 40% of the portfolio may be held in equities. On the Retirement Fund, the proportion of equities is that established by Swiss law on pension funds.

Otherwise, the Guidelines remain the same as set by the Investment Advisory Group on September 9, 1991, as per memorandum of 23/9/91.

7. REPORTING AND EVALUATION

Quarterly reports on performance are required, reporting on average invested capital on a time weighted basis, with a full evaluation at the end of each 12 month period. A detailed review and appraisal will be made after three years, from October 1, 1991. The three

